

**STATE FIRE AND TORNADO FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2005**

	December-05					September-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	Month	Market Value	Allocation	Policy	Quarter	FYTD	FY05	Ended	Ended
				Net ROR	Net ROR				Net ROR	Net	Net	6/30/2005	6/30/2005
												Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>													
<i>Structured Growth</i>													
Los Angeles Capital	739,668	2.9%	2.8%	3.06%	0.85%	743,833	2.9%	2.8%	5.46%	8.68%	7.56%	N/A	N/A
<b>Total Structured Growth</b>	<b>739,668</b>	<b>2.9%</b>	<b>2.8%</b>	<b>3.06%</b>	<b>0.85%</b>	<b>743,833</b>	<b>2.9%</b>	<b>2.8%</b>	<b>5.46%</b>	<b>8.68%</b>	<b>7.56%</b>	<b>7.46%</b>	<b>-9.18%</b>
<i>Russell 1000 Growth</i>				2.98%	-0.31%				4.01%	7.11%	1.68%	7.26%	-10.36%
<i>Structured Value</i>													
<b>LSV</b>	<b>716,494</b>	<b>2.8%</b>	<b>2.8%</b>	<b>1.52%</b>	<b>1.18%</b>	<b>748,966</b>	<b>2.9%</b>	<b>2.8%</b>	<b>5.06%</b>	<b>6.66%</b>	<b>18.35%</b>	<b>14.73%</b>	<b>14.78%</b>
<i>Russell 1000 Value</i>				1.27%	0.60%				3.88%	5.20%	14.06%	11.00%	6.55%
<i>Russell 1000 Enhanced Index</i>													
<b>LA Capital</b>	<b>1,469,336</b>	<b>5.8%</b>	<b>5.6%</b>	<b>2.29%</b>	<b>1.11%</b>	<b>1,485,614</b>	<b>5.8%</b>	<b>5.6%</b>	<b>6.45%</b>	<b>8.89%</b>	<b>7.93%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000</i>				2.12%	0.13%				3.95%	6.15%	7.92%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>													
<b>Westridge</b>	<b>1,528,392</b>	<b>6.0%</b>	<b>5.6%</b>	<b>2.10%</b>	<b>0.05%</b>	<b>1,438,400</b>	<b>5.6%</b>	<b>5.6%</b>	<b>3.64%</b>	<b>5.81%</b>	<b>6.58%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				2.09%	0.03%				3.60%	5.77%	6.32%	N/A	N/A
<i>Index</i>													
State Street	469,006			2.07%	0.03%	476,528			3.58%	5.72%	6.27%	8.22%	-2.45%
<b>Total Index</b>	<b>469,006</b>	<b>1.8%</b>	<b>1.9%</b>	<b>2.07%</b>	<b>0.03%</b>	<b>476,528</b>	<b>1.8%</b>	<b>1.9%</b>	<b>3.58%</b>	<b>5.72%</b>	<b>6.27%</b>	<b>8.22%</b>	<b>-2.45%</b>
<i>S&amp;P 500</i>				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	-2.37%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>4,922,897</b>	<b>19.3%</b>	<b>18.8%</b>	<b>2.20%</b>	<b>0.64%</b>	<b>4,893,341</b>	<b>19.0%</b>	<b>18.8%</b>	<b>4.97%</b>	<b>7.27%</b>	<b>8.89%</b>	<b>9.59%</b>	<b>-0.28%</b>
<i>S&amp;P 500</i>				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	-2.37%
<b>SMALL CAP DOMESTIC EQUITY</b>													
<i>Manager-of-Managers</i>													
<b>SEI</b>	<b>1,648,553</b>	<b>6.5%</b>	<b>6.3%</b>	<b>0.95%</b>	<b>-0.01%</b>	<b>1,623,974</b>	<b>6.3%</b>	<b>6.3%</b>	<b>5.46%</b>	<b>6.47%</b>	<b>9.32%</b>	<b>13.32%</b>	<b>N/A</b>
<i>Russell 2000 + 200bp</i>				1.64%	-0.29%				5.21%	6.93%	11.64%	15.07%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>1,648,553</b>	<b>6.5%</b>	<b>6.3%</b>	<b>0.95%</b>	<b>-0.01%</b>	<b>1,623,974</b>	<b>6.3%</b>	<b>6.3%</b>	<b>5.46%</b>	<b>6.47%</b>	<b>9.32%</b>	<b>13.32%</b>	<b>5.50%</b>
<i>Russell 2000</i>				1.13%	-0.46%				4.69%	5.88%	9.45%	12.81%	5.71%
<b>INTERNATIONAL EQUITY</b>													
<i>Large Cap - Active</i>													
Capital Guardian	1,160,662	4.6%	4.0%	9.64%	6.23%	1,085,458	4.2%	4.0%	12.11%	22.92%	10.32%	7.44%	-3.80%
LSV	1,030,671	4.0%	4.0%	4.29%	4.30%	1,093,543	4.2%	4.0%	11.20%	15.98%	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>2,191,333</b>	<b>8.6%</b>	<b>8.0%</b>	<b>6.96%</b>	<b>5.28%</b>	<b>2,179,002</b>	<b>8.5%</b>	<b>8.0%</b>	<b>11.67%</b>	<b>19.43%</b>	<b>13.23%</b>	<b>12.39%</b>	<b>7.26%</b>
<i>MSCI EAFE - 50% Hedged</i>				5.84%	4.68%				11.07%	17.55%	14.41%	8.84%	-2.61%
<i>Small Cap - Value</i>													
<b>Lazard</b>	<b>257,362</b>	<b>1.0%</b>	<b>1.0%</b>	<b>3.01%</b>	<b>6.28%</b>	<b>261,367</b>	<b>1.0%</b>	<b>1.0%</b>	<b>9.94%</b>	<b>13.25%</b>	<b>18.18%</b>	<b>N/A</b>	<b>N/A</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				8.94%	7.40%				12.05%	22.06%	21.33%	N/A	N/A
<i>Small Cap - Growth</i>													
<b>Vanguard</b>	<b>265,728</b>	<b>1.0%</b>	<b>1.0%</b>	<b>4.92%</b>	<b>6.67%</b>	<b>264,449</b>	<b>1.0%</b>	<b>1.0%</b>	<b>10.41%</b>	<b>15.84%</b>	<b>24.11%</b>	<b>N/A</b>	<b>N/A</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				8.94%	7.40%				12.05%	22.06%	21.33%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>2,714,424</b>	<b>10.6%</b>	<b>10.0%</b>	<b>6.37%</b>	<b>5.50%</b>	<b>2,704,818</b>	<b>10.5%</b>	<b>10.0%</b>	<b>11.37%</b>	<b>18.47%</b>	<b>15.34%</b>	<b>10.62%</b>	<b>-2.10%</b>
<i>MSCI EAFE - 50% Hedged</i>				5.84%	4.68%				11.07%	17.55%	14.41%	8.84%	-2.61%
<b>DOMESTIC FIXED INCOME</b>													
<i>Core Bond</i>													
<b>Western Asset</b>	<b>4,847,057</b>	<b>19.0%</b>	<b>18.3%</b>	<b>0.28%</b>	<b>1.13%</b>	<b>4,793,214</b>	<b>18.6%</b>	<b>18.3%</b>	<b>-0.41%</b>	<b>-0.13%</b>	<b>7.14%</b>	<b>7.36%</b>	<b>8.59%</b>
<i>Lehman Aggregate</i>				0.59%	0.95%				-0.67%	-0.08%	6.80%	5.75%	7.40%
<i>Index</i>													
<b>Bank of ND</b>	<b>4,360,962</b>	<b>17.1%</b>	<b>18.3%</b>	<b>0.44%</b>	<b>0.84%</b>	<b>4,431,784</b>	<b>17.2%</b>	<b>18.3%</b>	<b>-0.84%</b>	<b>-0.41%</b>	<b>4.08%</b>	<b>5.66%</b>	<b>7.26%</b>
<i>Lehman Gov/Credit (1)</i>				0.60%	0.95%				-0.96%	-0.37%	4.80%	5.82%	7.35%
<i>BBB Average Quality</i>													
<b>Wells Capital (formerly Strong)</b>	<b>4,836,969</b>	<b>19.0%</b>	<b>18.3%</b>	<b>0.58%</b>	<b>1.06%</b>	<b>4,738,788</b>	<b>18.4%</b>	<b>18.3%</b>	<b>-1.05%</b>	<b>-0.48%</b>	<b>9.14%</b>	<b>9.20%</b>	<b>N/A</b>
<i>Lehman US Credit BAA</i>				0.39%	1.03%				-0.97%	-0.58%	8.60%	9.42%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>14,044,988</b>	<b>55.1%</b>	<b>55.0%</b>	<b>0.42%</b>	<b>1.03%</b>	<b>13,963,786</b>	<b>54.2%</b>	<b>55.0%</b>	<b>-0.76%</b>	<b>-0.35%</b>	<b>6.14%</b>	<b>6.59%</b>	<b>7.79%</b>
<i>Lehman Gov/Credit</i>				0.60%	0.95%				-0.96%	-0.37%	7.26%	6.41%	7.70%
<b>CASH EQUIVALENTS</b>													
<b>Bank of ND</b>	<b>2,162,342</b>	<b>8.5%</b>	<b>10.0%</b>	<b>1.07%</b>	<b>0.42%</b>	<b>2,583,678</b>	<b>10.0%</b>	<b>10.0%</b>	<b>0.93%</b>	<b>2.01%</b>	<b>2.46%</b>	<b>1.74%</b>	<b>2.68%</b>
<i>90 Day T-Bill</i>				0.92%	0.32%				0.83%	1.75%	2.15%	1.55%	2.62%
<b>TOTAL FIRE &amp; TORNADO FUND</b>	<b>25,493,204</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.34%</b>	<b>1.28%</b>	<b>25,769,597</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.13%</b>	<b>3.50%</b>	<b>6.55%</b>	<b>7.91%</b>	<b>4.25%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>1.48%</b>	<b>1.00%</b>				<b>1.62%</b>	<b>3.13%</b>	<b>6.74%</b>	<b>7.33%</b>	<b>4.19%</b>

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.